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## United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

November 14, 2016

KOLAN L. DAVIS, *Chief Counsel and Staff Director*  
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Mr. Glenn A. Fine  
Acting Inspector General  
Department of Defense  
4800 Mark Center Drive  
Alexandria, VA 22350

Dear Mr. Fine:

I am writing to urge you to consider the need to step up the war on waste.

Under the IG Act, the Department of Defense (DoD) Inspector General (IG) is the "principal advisor to the Secretary of Defense for matters relating to the prevention and detection of **fraud**, **waste**, and **abuse** in the programs and operations of the Department."<sup>1</sup> The law clearly identifies the three main components of IG mission. But, I fear one – reporting on waste – may have fallen through the cracks.

I have been unable to find the word waste in recent Office of the Inspector General (OIG) reports. This word conveys a powerful idea – an idea that forms the foundation of the IG Act. So it belongs in the IG's toolbox, but where is it? Admittedly, two reports on waste were identified - #2012-017 and #2013-131, but they date back to 2011 and 2013 and are not exactly hard-hitting since neither recommended the need for accountability. Avoiding the use of the word waste could be part of the problem. The OIG, I am told, prefers to characterize waste as "funds put to better use" or words to that effect.<sup>2</sup> Compared to dictionary definitions and the sheer magnitude of alleged DoD waste, these words seem weak and inadequate. If you can't call it what it is and describe it in the harsh terms it deserves, then the OIG may not be prepared to tackle the problem.

When I compare the aggressive reporting on waste by Special Inspector General for Afghanistan Reconstruction (SIGAR) with what the Pentagon watch-dog is producing, the contrast is striking. SIGAR is serving it up on a silver platter with regularity. By comparison, the best the second largest IG office in the government can do is "question costs" or argue that "money could have been put to better use." The DoD OIG needs to zero in on root causes and put the Pentagon on a steady diet of hard-hitting reports on waste.

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<sup>1</sup> Section 8 of the IG Act, regarding additional provisions covering the IG at the DoD;

<sup>2</sup> References to both reports provided by email from the Director, Legislative Affairs & Communications, Kathie Scarrah, 7/14/16; She suggests calls for accountability normally result from investigations and not audits; However, Senator Grassley's Audit Report Cards, issued in 2010-12, show that audits are, in fact, used for that purpose; See Report Card on FY 2010 Audits, 6/1/11, regarding report # 2010-081 (pp. 10-11) and Report Cards FY 2009-11, 3/13/12, which cites 16 audit reports calling for accountability (p. 6);

Confronting the mighty Defense Department with flagrant waste is a tough job. It takes courage, and right now, SIGAR is taking a lot of heat for doing it.

For example, SIGAR's very controversial report on "the 64K building" at Camp Leatherneck, Afghanistan presented a classic example of waste.<sup>3</sup> It showed conclusively that the Defense Department spent \$36 million on a building that it knew was unneeded; that it knew was unwanted; and that it knew would never be used. What happened here goes way beyond the problem of money that might have been "put to better use" elsewhere. It suggests gross and deliberate negligence and total disrespect for the wise use of tax dollars. Such careless, blatant waste must be exposed and subjected to appropriate corrective action.

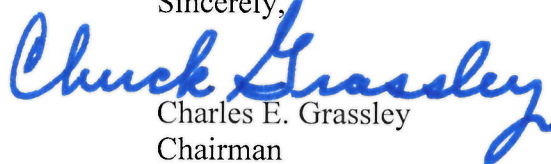
When asked by the department for advice on how to respond to the 64K report, the DoD OIG seemed to develop a bad case of weak knees. The department's rebuttal constituted a flat-out rejection of SIGAR's principle finding: that named senior officers wasted \$36 million and should be held accountable. The OIG made no attempt to modify the DoD language that gutted SIGAR's call for accountability. Between January and May 2016, I repeatedly asked why the DoD OIG failed to challenge the department's rebuttal. I suggested that the OIG's silent acquiescence appeared to "condone waste."<sup>4</sup> In addition to giving the appearance of making waste acceptable, backing the department's position could have caused the OIG to assume ownership of a DoD management decision, potentially undermining independence.

After considerable discussion back and forth, Mr. Fine, you finally provided straight forward and definitive answers to my questions. By agreeing that the 64K building "constitutes waste" and those responsible "should be held accountable," your letter of July 11th clearly laid that issue to rest.<sup>5</sup> That message is like a breath of fresh air – at least from the top. I welcome it. Yet I remain concerned. How about those who advised the department on how to respond to the 64K report? Do they see the light? Are they fully aligned with Acting IG's thinking on waste?

Building on the momentum created by SIGAR's reports on waste, I encourage you to take a fresh, independent look at the way waste is being assessed and reported by the DoD Office of the IG. There seems to be a pressing need to beef up oversight in this critical arena. I look forward to your answer.

Your patience and cooperation with my oversight work is always appreciated.

Sincerely,

  
Charles E. Grassley  
Chairman

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<sup>3</sup> SIGAR Report-15-57-SP, May 2015;

<sup>4</sup> Letter to former IG Jon T. Rymer, 1/7/16; response from the Director, Legislative Affairs and Communications, Ms. Kathie Scarrah, 4/13/16; Senator Grassley's response to her, 5/18/16;

<sup>5</sup> Acting IG Fine's 7/11/16 letter;